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CENTRAL INTELLIGENCE AGENCY

4 November 1948

INTELLIGENCE MEMORANDUM NO. 79

SUBJECT: Relative Importance to the Soviet Union of Merchant Vessel Construction Demanded as Reparations from Italy

1. The Soviet Union has demanded the following merchant vessels from Italy as part of the reparations program, to be delivered from current production:

- (a) 11 Diesel-propelled tankers of 3,000 DWT each.
- (b) 5 Diesel-propelled tugs of 1,500 horsepower each.
- (c) 30 Trawlers of 800 horsepower each.
- (d) 8 cargo-passenger vessels of 500 tons cargo and 1,000 passenger capacity each.
- (e) 10 cargo-passenger vessels of 2,600 deadweight and 250 passenger capacity each.
- (f) 5 refrigerated cargo vessels of 1,700 deadweight tons each.

2. In evaluating the effect which the acquisition of these vessels by the USSR would have on the US national interest, the chief factors are (a) the extent to which such vessels would alleviate severe strategic weaknesses in the Soviet economy, and (b) the potential usefulness of the vessels in the event of hostilities. On the basis of these two factors, the importance of the vessel types to the USSR appears to be in the order listed above.

3. Sea-going tankers are of prime importance to the Soviet Union since most of its tanker fleet is confined to the land-locked Caspian Sea. As the ocean-going tanker fleet at present totals only about 200,000 deadweight tons, the addition of even the small amount of tonnage in question would substantially help in solving the troublesome problem of oil distribution.

4. Tugs are very useful in war time for removing hulks and clearing channels. An essential element in the Allied North Africa campaign, for example, was the assistance of several tugs which steamed from New York around the Cape of Good Hope to clear the Suez Canal of sunken vessels.

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Date: 04/11/77 By: 021

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5. Trawlers are of importance to the Soviet civilian economy in accounting for a substantial part of the food supply, but they are also potentially useful in minesweeping and coast guard duty.

6. There are few coastwise or foreign trade routes on which the USSR could use the cargo-passenger vessels (d) (e) above, to good advantage. While useful, such vessels would not be indispensable in war time because the USSR could convert ordinary merchant ships for troop carrying duty.

7. The refrigerated cargo vessels are believed to be of relatively little importance to the USSR in either a civilian or military capacity. Although the USSR has little or no refrigerated tonnage, its requirements for such relatively small vessels of this type are probably not urgent.

8. It will be noted that the current Soviet list of ships does not include dry cargo merchant vessels. This fact suggests that the USSR does not consider the acquisition of such shipping to be particularly urgent. It is possible, of course, that if the USSR is unable to obtain tankers from Italian shipyards, it might insist upon receiving dry cargo ships. In view of the fact that the USSR is able to charter merchant vessels to augment its present fleet, and in the case of hostilities would probably acquire substantial shipping as a result of military action, CIA would not view the acquisition of a few merchant ships by the USSR as particularly serious. Large amounts of shipping, however, in the order of 100,000 tons or more, would be an undesirable addition to the Soviet merchant fleet.

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Office Memorandum • UNITED STATES GOVERNMENT

TO : Chief, Staff Intelligence Group
FROM : Chief, Transportation Group
SUBJECT: Relative Importance to the Soviet Union of Merchant Vessel Construction Demanded as Reparations from Italy.

DATE: 4 November 1948

In answer to the verbal request regarding the relative importance of the subject vessels to the USSR, the following is submitted for your information.

The Soviet Union has demanded the following merchant vessels from Italy as part of the reparations program, to be delivered from current production:

- (1) 11 Diesel-propelled tankers of 3,000 DWT each.
- (2) 5 Diesel-propelled tugs of 1,500 horsepower each.
- (3) 30 Trawlers of 800 horsepower each.
- (4) 8 cargo-passenger vessels of 500 tons cargo and 1,000 passenger capacity each.
- (5) 10 cargo-passenger vessels of 2,600 deadweight and 250 passenger capacity each.
- (6) 5 refrigerated cargo vessels of 1,700 deadweight tons each.

In evaluating the effect which the acquisition of these vessels by the USSR would have on the U S national interest, the chief factors are (1) the extent to which such vessels would alleviate severe strategic weaknesses in the Soviet economy, and the potential usefulness of the vessels in the event of hostilities. On the basis of these two factors, the importance of the vessel types to the USSR appears to be in the order listed above.

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Sea-going tankers are of prime importance to the Soviet Union since most of its tanker fleet is confined to the land-locked Caspian Sea. As the ocean-going tanker fleet at present totals only about 200,000 dead-weight tons, the addition of even the small amount of tonnage in question would substantially help in solving the troublesome problem of oil distribution.

Tugs are very useful in war time for removing hulks and clearing channels. An essential element in the Allied North Africa campaign, for example, was the assistance of several tugs which steamed from New York around the Cape of Good Hope to clear the Suez Canal of sunken vessels.

Trawlers are of importance to the Soviet civilian economy in accounting for a substantial part of the food supply, but they are also potentially useful in minesweeping and coast guard duty.

There are few coastwise or foreign trade routes on which the USSR could use the cargo-passenger vessels (4) (5) above, to good advantage. While useful, such vessels would not be indispensable in war time because the USSR could convert ordinary merchant ships for troop carrying duty.

The refrigerated cargo vessels are believed to be of relatively little importance to the USSR in either a civilian or military capacity. Although the USSR has little or no refrigerated tonnage, its requirements for such relatively small vessels of this type are probably not urgent.

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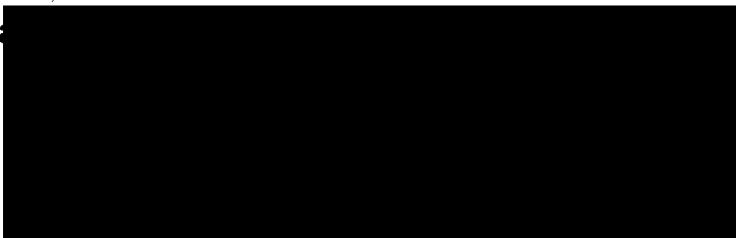
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